

USDA RURAL DEVELOPMENT HELPS BUSINESS CUT ENERGY COSTS

Outline Of Need: Due to rising natural gas prices, Cozad Alfalfa, Inc. sought assistance to reduce the usage of natural gas during their production of dehydrated alfalfa pellets that utilized 52,860 therms of energy.

How Rural Development Helped: Rural Development assisted with an energy efficiency improvement grant of \$37,500 that was combined with Cozad Alfalfa, Inc.'s \$112,500. The \$150,000 installed a 20 MM BTU solid fuel burner.



John Montgomery
President Cozad Alfalfa, Inc.



Unloading Alfalfa Pellets



**20MM BTU Solid Fuel
Burner**

The Results: The new solid fuel burner, replaced about 50,160 therms of energy; a 95 percent energy replacement. The wood used to fuel the solid fuel burner costs \$2.50/MM BTU, this compared to natural gas prices that have doubled, produce a savings of an estimated \$27,375 a year. Cozad Alfalfa was utilizing about 1.25 - 1.5 MM BTU to produce one ton of alfalfa pellets. Estimates figure it takes approximately one ton of saw dust to produce 10 tons of alfalfa pellets. The USDA Rural Development funding reduced Cozad Alfalfa's capital costs and allowed them to recapture their investment at a faster pace.

Cozad Alfalfa, Inc. brings benefits to its local economy, community, environment and other businesses. Thanks to their energy efficiency improvements, Cozad Alfalfa uses less natural gas and reduced the need to landfill wood wastes. Saw dust is purchased from a department store shelving manufacturer in Omaha and a Pella window/door manufacturer in Pella, IA. Not only do these two businesses get paid for their wood wastes but they also see a savings in landfill costs. The community benefits from Cozad Alfalfa's energy savings as those dollars are able to purchase the needed replacement parts and other consumable items. Local vendors/contractors were used at all means possible to complete the energy efficiency improvement project. The local agriculture economy benefits from the local alfalfa purchased. Cozad Alfalfa adds to the area's workforce through the seasonal employment of up to 10 individuals.

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